

REGISTERED CHARITY NUMBER: 1149150

**REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
**FOR**  
**AL-HIDAYAH FOUNDATION**

**Mibsons Limited**  
Chartered Certified Accountant  
180 Birmingham Road  
West Bromwich  
West Midlands  
B70 6QG

**AL-HIDAYAH FOUNDATION**

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**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**AL-HIDAYAH FOUNDATION**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The key objectives of the charity are summarised as follows:

- To assist young people in the advancement of education by means of, but not exclusively, educational classes from secular to religious, language classes and activities for mainstream educational subjects
- To assist young people, especially, but not exclusively through leisure and recreational activities, so as to develop their physical, mental and spiritual capabilities enabling them to become role model citizens, delivering public benefit leading to the betterment of society.
- To support any other charitable purpose for the benefit of Muslims and the general public that the trustees from time to time may determine.

**Current activities**

In pursuing our objectives during the financial year ending 31st December 2020 the organisation was engaged in running the following activities:

**1 Evening Religious Education Classes**

Knowledge holds an important aspect in the religion of Islam. Children from the age of 4 and above attend the evening Madrasah Monday to Friday learning the basic principles of Islam (Quran, Masnoon duas, Fiqh, Aqaid, Aadab, Tareekh).

**2 Further Religious Education Class**

This class was initiated for those teenage boys & girls who have finished their primary Madrasah education but wish to enhance their understanding of Islam enabling them to become good Muslims and good citizens

**3 Quran Classes for Adult**

Those adults who are in full time employment who wish to learn how to recite the Holy Quran correctly. Classes run weekly consisting of 4 levels. Back to basic, to advanced.

**4 Website**

The prime objective of the website is to help people connected & up to date with our activities. Visitors can also subscribe to the mailing list to receive regular updates and educational bulletins

**5 Publications**

The charity publishes and distributes informative and inspirational literature in the English language through the means of:

- Bi-monthly magazine
- Leaflets (3 this year)

These cover topics which are pertinent to the audience, primarily the Muslim youth, pupils and parents of the madrasah.

**AL-HIDAYAH FOUNDATION**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

Al-Hidayah Foundation is registered with the Charity commission (Registration Number 1149150) and constituted by the deed of trust.

**Organisational Structure**

The Charity trustees are responsible for the general control and management of the charity. The trustees give their time freely and receive no remuneration or other financial benefits. The trustees meet together as a body quarterly and are responsible for all decision taken in relating to running the organisation facilities and the activities provided by the charity

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Charity number**

1149150

**Principal address**

130-140 Walstead Road  
Walsall  
WS5 4LY

**Trustees**

Mr. Yunus Loonat  
Mr. Ismail Bhayat  
Mr. Ahmed Kalang

**Independent examiner**

Mibsons Limited  
Chartered Certified Accountant  
180 Birmingham Road  
West Bromwich  
West Midlands  
B70 6QG

**AL-HIDAYAH FOUNDATION**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**STATEMENT OF TRUSTEES'S RESPONSIBILITIES**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. Notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, the Trustees determined to interpret this responsibility as requiring them to follow current best practice and prepare the accounts according to the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), .

In particular, charity law requires the Trustees, if they prepare accounts on an accruals basis, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Trustees are required to :-

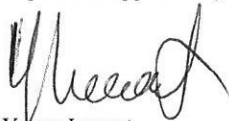
- to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with regulations made under the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also responsible for the contents of the Trustees' report, and the statutory responsibility of the Independent Examiner in relation to the Trustees' report is limited to examining the report and ensuring that , on the face of the report, there are no material inconsistencies with the figures disclosed in the financial statements.

This report was approved by the board of trustees on 26 October 2021



Mr. Yunus Loonat  
Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF**  
**AL-HIDAYAH FOUNDATION**

**Independent examiner's report to the trustees of Al- Hidayah Foundation**

I report to the charity trustees on my examination of the accounts of the Al-Hidayah Foundation for the year ended 31 December 2020.

**Responsibilities and basis of report**

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.



**Mibsons Limited**  
Chartered Certified Accountant  
180 Birmingham Road  
West Bromwich  
West Midlands  
B70 6QG

Date: 26 October 2021

**AL-HIDAYAH FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

		Unrestricted funds	Restricted funds	31/12/20 Total funds	31/12/19 Total funds
	Notes	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	23,853	-	23,853	28,761
Other trading activities	3	72,291	-	72,291	61,492
Investment income	4	7,560	-	7,560	7,720
<b>Total</b>		<b>103,704</b>	<b>-</b>	<b>103,704</b>	<b>97,973</b>
Closing stock movement		-60	-	-60	60
<b>EXPENDITURE ON</b>					
Raising funds	5	-	-	-	-
Support costs	6	78,912	-	78,912	75,187
<b>NET INCOME</b>		<b>24,732</b>	<b>-</b>	<b>24,732</b>	<b>22,846</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>191,910</b>	<b>-</b>	<b>191,910</b>	<b>169,064</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>216,643</b>	<b>-</b>	<b>216,643</b>	<b>191,910</b>

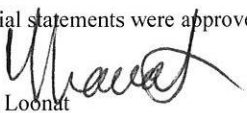
The notes form part of these financial statements

**AL-HIDAYAH FOUNDATION**

**BALANCE SHEET**  
**AT 31 DECEMBER 2020**

	Notes	Unrestricted funds £	Restricted funds £	31/12/20 Total Funds £	31/12/19 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	10	280,858	-	280,858	278,883
Investment property	11	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		280,858	-	280,858	278,883
<b>CURRENT ASSETS</b>					
Books stock		-	-	-	60
Debtors	12	9,337	-	9,337	3,256
Cash in transit		3,225	-	3,225	-
Cash at bank and in hand		30,230	-	30,230	24,800
		<hr/>	<hr/>	<hr/>	<hr/>
		42,792	-	42,792	28,116
<b>CREDITORS</b>					
Amounts falling due within one year	13	(107,008)	-	(107,008)	(115,089)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		(64,216)	-	(64,216)	(86,973)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		216,642	-	216,642	191,910
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET ASSETS</b>		216,642	-	216,642	191,910
		<hr/>	<hr/>	<hr/>	<hr/>
<b>FUNDS</b>					
Balance Brought forward	15	191,910	-	191,910	169,064
Unrestricted funds		24,732	-	24,732	22,846
Restricted funds		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>		216,642	-	216,642	191,910
		<hr/>	<hr/>	<hr/>	<hr/>

The financial statements were approved by the Board of Trustees on 26 October 2021 and were signed on its behalf by:

  
Mr. Yunus Loondu  
Trustee

The notes form part of these financial statements



**AL-HIDAYAH FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1 ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	20% on straightline
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**Taxation**

The charity is exempt from tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Pension costs and other post-retirement benefits**

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**AL-HIDAYAH FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**2 DONATIONS AND LEGACIES**

	31/12/20	31/12/19
	£	£
Donations	23,853	28,761
Donations - Kard-e-Hasanah to Lillah	-	-
Donations - Construction	-	-
	<u>23,853</u>	<u>28,761</u>

**3 OTHER TRADING ACTIVITIES**

	31/12/20	31/12/19
	£	£
Tuition Fee	64,880	55,647
Sales	5,708	4,252
Gift Aid Tax reclaimed	1,704	1,594
	<u>72,291</u>	<u>61,492</u>

**4 INVESTMENT INCOME**

	31/12/20	31/12/19
	£	£
Rental Income	7,560	7,720
	<u>7,560</u>	<u>7,720</u>

**5 RAISING FUNDS**

**Raising donations and legacies**

	31/12/20	31/12/19
	£	£
Event Costs	-	-
	<u>-</u>	<u>-</u>

**6 SUPPORT COSTS**

	31/12/20	31/12/19
	£	£
Management costs	78,912	75,061
Other costs	-	126
	<u>78,912</u>	<u>75,187</u>

**AL-HIDAYAH FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**7 TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

**8 STAFF COSTS**

The average monthly number of employees during the year was as follows:

	31/12/20	31/12/19
	£	£
Management	<u>14</u>	<u>14</u>

No employees received emoluments in excess of £60,000.

**9 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>	
Donations and legacies	23,853
Other trading activities	72,291
Investment income	7,560
<b>Total</b>	<u>103,704</u>
<b>EXPENDITURE ON</b>	
Raising funds	78,912
<b>Total</b>	<u>78,912</u>
<b>NET INCOME</b>	<u>24,792</u>
<b>RECONCILIATION OF FUNDS</b>	
Total funds brought forward	191,910
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>216,702</u></u>

**AL-HIDAYAH FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**10 TANGIBLE FIXED ASSETS**

	Freehold property £	Improvement to Property £	Office Equipments £	Totals £
<b>COST</b>				
At 31 Dec 2019	275,452	3,431	628	279,511
Additions		1,976		1,976
At 31 Dec 2020	<u>275,452</u>	<u>5,406</u>	<u>628</u>	<u>281,486</u>
<b>DEPRECIATIONS</b>				
At 31 Dec 2019	-	-	628	628
Charge for year	-	-		-
At 31 Dec 2020	<u>-</u>	<u>-</u>	<u>628</u>	<u>628</u>
<b>NET BOOK VALUE</b>				
At 31 Dec 2020	<u>275,452</u>	<u>5,406</u>	<u>-</u>	<u>280,858</u>
At 31 Dec 2019	<u>275,452</u>	<u>3,431</u>	<u>-</u>	<u>278,883</u>

**11 INVESTMENT PROPERTY**

<b>COST VALUE</b>	
At 31 Dec 2019 and 31 Dec 2020	<u>-</u>
<b>NET BOOK VALUE</b>	
At 31 Dec 2020	<u>-</u>
At 31 Dec 2019	<u>-</u>

**12 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/12/20 £	31/12/19 £
Trade Debtors	<u>9,337</u>	<u>3,256</u>

**13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/12/20 £	31/12/19 £
Bank loans and overdrafts (see note 14)	99,538	106,538
Trade creditors	600	600
Taxation and social security	291	234
Other creditors	6,579	7,717
	<u>107,008</u>	<u>115,089</u>

**AL-HIDAYAH FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**14 LOANS**

An analysis of the maturity of loans is given below:

	31/12/20 £	31/12/19 £
Amounts falling due within one year on demand:		
Interest Free Loans - Karze Hasana	<u>99,538</u>	<u>106,538</u>

**15 MOVEMENT IN FUNDS**

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
<b>Unrestricted funds</b>			
General fund	191,910	24,732	216,642
<b>Restricted funds</b>			
General fund	-	-	-
<b>TOTAL FUNDS</b>	<u>191,910</u>	<u>24,732</u>	<u>216,642</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	103,644	(78,912)	24,732
<b>Restricted funds</b>			
General fund	-	-	-
<b>TOTAL FUNDS</b>	<u>103,644</u>	<u>(78,912)</u>	<u>24,732</u>

Comparatives for movement in funds

	At 1.01.19 £	Net movement in funds £	At 31.12.19 £
<b>Unrestricted funds</b>			
General fund	169,064	22,846	191,910
<b>Restricted funds</b>			
General fund	-	-	-
<b>TOTAL FUNDS</b>	<u>169,064</u>	<u>22,846.14</u>	<u>191,910</u>

**AL-HIDAYAH FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**15 MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Movement in funds £</b>
<b>Unrestricted funds</b>			
General fund	97,973	(75,127)	22,846
<b>Restricted funds</b>			
General fund	-	-	-
<b>TOTAL FUNDS</b>	<u>97,973</u>	<u>(75,127)</u>	<u>22,846</u>

**16 RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 December 2020.

**AL-HIDAYAH FOUNDATION**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	31/12/20	31/12/19
	£	£
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	23,853	28,761
	<u>23,853</u>	<u>28,761</u>
<b>Other trading activities</b>		
Tuition Fee	64,880	55,647
Sales	5,708	4,252
Gift Aid Tax reclaimed	1,704	1,594
Stock Movement @ 31 December 2020	- 60	60
<b>Investment income</b>		
Rental Income	7,560	7,720
	<u>79,791</u>	<u>69,272</u>
<b>Total incoming resources</b>	<u>103,644</u>	<u>98,033</u>
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Events Cost	-	-
	<u>-</u>	<u>-</u>
<b>Support costs</b>		
<b>Management</b>		
Accountancy Fee	1,030	812
Advertisement	58	399
Books and other Purchase	4,089	2,560
Heat & Light	953	1,026
Water rates and Insurance	2,447	2,532
Prizes and Parties	469	346
Repairs & Maintance	1,680	756
Stationery	308	532
Wages & Salaries	67,878	66,099
Carried forward	78,912	75,061

This page does not form part of the statutory financial statements

**AL-HIDAYAH FOUNDATION**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	31/12/20 £	31/12/19 £
<b>Management</b>		
Brought forward	78,912	75,061
Tuition Courses	-	-
	<u>78,912</u>	<u>75,061</u>
<b>Other</b>		
Sundries	-	-
Depreciation - Fixtures and fittings	-	126
	<u>-</u>	<u>126</u>
<b>Total resources expended</b>	<u>78,912</u>	<u>75,187</u>
<b>Net income</b>	<u><u>24,732</u></u>	<u><u>22,846</u></u>

This page does not form part of the statutory financial statements